



6 August 2020

WYOMING RARE STRATEGIC ACQUISITION

American Rare Earths Limited (**ASX: ARR**) (“**the Company**”) is pleased to announce a share purchase agreement between Zenith Minerals Limited (“**Zenith**”) (**ASX: ZNC**) and ARR, for the Company to acquire 100% of Zenith’s wholly owned Australian subsidiary Wyoming Rare Pty Ltd (“**Wyoming Rare**”).

Highlights

- Purchase price is 2.5 million ARR shares (price A\$0.02 each) plus A\$50,000 cash
- Subject to a condition precedent of the grant of one or more mineral leases, Zenith will sell to ARR, or its nominee
- The Company retains an exclusive right to acquire 100% of Wyoming Rare’s issued capital
- Wyoming Rare’s 100% owned USA subsidiary, Wyoming Rare (USA) Inc. (**Wyoming Rare USA**), operates the Laramie Rare Earths Elements (**REE**) Project in Wyoming
- The purchase includes the Company acquiring all data, including samples and maps, associated with the Laramie REE Project and exploration permits, which are precursors to mineral leases
- The acquisition provides American Rare Earths with the opportunity to define a very large-scale exploration target once initial follow-up work is completed
- For background, Zenith has announced results for its Laramie REE Project (ASX releases on 17 October 2019 and 30 April 2020):

“...initial rock grab sampling and mapping by Zenith in three key areas 2 to 3 km apart returned up to 0.60% total rare earth oxides (TREO). Follow-up sampling included nine systematic rock chip sample traverses returned consistent, strong REE mineralisation along their entire lengths (ASX release 11th Nov 2019), including: 80m @ 0.40% TREO, 60m @ 0.39% TREO, 60m @ 0.37% TREO, 137m @ 0.37% TREO, 332m @ 0.26% TREO.”

American Rare Earths Ltd

(ASX:ARR)

An Australian exploration company focused on the discovery & development of strategic technology mineral resources

Commodity Exposure

Rare Earth Elements, Heavy Mineral Sands, Cobalt, Base & Precious Metals, Industrial Metals

Directors & Management

Creagh O’Connor

Non-Executive Chairman

Keith Middleton

Executive Director

Geoff Hill

Non-Executive Director

Matt Hill

Non-Executive Director

Denis Geldard

Non-Executive Director

John Petersen

Chief Technical Advisor

Ian Morgan

Company Secretary

Capital Structure

Ordinary Shares on Issue (30/06/20) 291M

Market Cap (undiluted at 2.5cps) \$7.3M

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American Rare Earths Wyoming Rare Strategic Acquisition

Key Terms of Share Purchase Agreement

Purchase Price

The agreed purchase price is 2.5 million of ARR's ordinary fully paid shares (price A\$0.02 each) plus A\$50,000 cash. Zenith will sell to the Company, or its nominee, 100% of Wyoming Rare's issued capital.

Exclusive Right

The share purchase agreement includes the Company acquiring all data, including samples and maps, associated with the Laramie REE Project and exploration permits which are precursors to mineral leases.

Completion is subject to the grant of one or more Wyoming Lands Trust state mineral leases for rare earth minerals subject of the current Wyoming Lands Trust state exploration permits. ("**Condition**"). Until such time as the Condition is satisfied, the Company will retain an exclusive right to acquire 100% of Wyoming Rare's issued capital for an initial 3-month exclusive period by a non-refundable payment of A\$10,000 to Zenith.

Should the Company wish to extend the exclusivity period it may do so at its sole election through the further payments of a non-refundable A\$10,000 to Zenith per additional 3-month period, up to a maximum of five 3-month periods in total (A\$50,000).

End Date

Completion of the share purchase agreement, including the Condition, must be satisfied by 31 December 2020.

Authorisation

The Company's issue of 2.5 million ordinary fully paid shares is subject to the Company's members' approval in accordance with the ASX Listing Rules and the *Corporations Act 2001* (Cth).

Chairman Creagh O'Connor stated:

"Acquisition of the Laramie REE Project continues the Company's strategic focus on American rare earths.

Wyoming is home to several major mining operations. The Project area has excellent road and rail infrastructure. Wyoming is historically known to host rare earths.¹ The Project area shows some similarities and should complement our La Paz Rare Earths Project.

ARR's next steps include further mapping, surface sampling and geophysical surveying to establish the overall extent of the mineralised zone(s) and target highest grade areas for drill testing, along with further mineralogical and beneficiation studies.

The acquisition broadens ARR's portfolio of US targets for an attractive price

ARR will build on the work done by Zenith. We have an alternative pool of technical experts, whose experience will be beneficial as we also progress our La Paz Rare Earth project in Arizona."

This market announcement has been authorized for release to the market by the Non-Executive Chairman of American Rare Earths Limited.



F Creagh O'Connor AM
Non-Executive Chairman

¹ See Wyoming State Geological Survey "A Comprehensive Report on Rare Earth Elements in Wyoming Report of Investigations No. 71 2016" Wayne M. Sutherland and Elizabeth C. Cola (<http://sales.wsgs.wyo.gov/a-comprehensive-report-on-rare-earth-elements-in-wyoming-2016/>).